



## **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

### **AFFORDABLE HOUSING & ECONOMIC DEVELOPMENT COMMITTEE**

Romy M. Cachola, Chair  
Donovan M. Dela Cruz, Vice Chair  
Todd K. Apo, Member  
Charles K. Djou, Member  
Ann H. Kobayashi, Member

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# **MINUTES**

REGULAR MEETING  
WEDNESDAY, JUNE 20, 2007

COUNCIL COMMITTEE MEETING ROOM  
2<sup>ND</sup> FLOOR, HONOLULU HALE  
HONOLULU, HAWAII 96813

### **CALL TO ORDER**

The regular meeting of the Affordable Housing & Economic Development Committee was called to order by Committee Chair Romy M. Cachola at 3:29 p.m. Committee Members Apo, Djou and Kobayashi were present. Committee Member Dela Cruz was excused from the meeting. Also present at the meeting were Councilmembers Okino and Tam.

### **STAFF PRESENT**

Hiroko Nakamura, Senior Advisor to Committee Chair Cachola  
Warren Senda, Attorney, Office of Council Services  
Craig Wolfram, Analyst, Office of Council Services  
Kathleen Kelly, Deputy, Department of the Corporation Counsel, assigned to the Committee  
Gail Kim, Committee Clerk, Office of the City Clerk

### **ORDER OF BUSINESS**

The Committee Chair announced that he would take the agenda items out of order and begin with agenda items 2 and 3.

### **FOR ACCEPTANCE OF GIFTS/DONATIONS TO THE CITY**

#### **2. RESOLUTION 07-180 – COMMITTEE REPORT 242**

ACCEPTANCE OF GIFT. Requesting acceptance of a monetary gift of \$2,400 from the National Arts Program Foundation to be used for cash awards to contest winners of the "City and County of Honolulu Second Annual Art Exhibit and Contest for Employees and their Families," June 25 to July 12, 2007.

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Administration/Others

Michael Pili Pang, Executive Director, Mayor's Office of Culture & The Arts

Executive Director Pang recommended that the gift be accepted. He stated that the gift is for the second annual art exhibit and contest the City puts on for employees. The monetary gift of \$2,400 from the National Arts Program Foundation will be used as cash prizes for contest winners.

Resolution 07-180 reported out for adoption.

AYES: APO, DJOU, CACHOLA – 3.  
NOES: None.  
EXCUSED: DELA CRUZ, KOBAYASHI – 2.

Related communication:

MM-86 Mayor's Office of Culture and the Arts, transmitting Resolution.

FOR INFORMATION ONLY

3. COMMUNICATION MM-82

ACCEPTANCE OF GIFT. Requesting acceptance of a gift of a framed watercolor painting valued at \$200 from Mr. Thomas Mullenniex to the Mayor's Office of Culture and the Arts.

Administration/Others

Michael Pili Pang, Executive Director, Mayor's Office of Culture & The Arts

The Committee Chair acknowledged and thanked Mr. Mullenniex for the gift to the City that was automatically accepted by certificate on June 15, 2007.

The Committee Chair returned to the first agenda item.

FOR ACTION

1. RESOLUTION 07-194 – COMMITTEE REPORT 243

RELATING TO AFFORDABLE HOUSING. Recommending that the City Administration implement policies that effectively utilize existing resources and programs promoting affordable housing in the City.

The following draft Resolution was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 07-194 – The CD1 makes the following changes: 1) page 2, deletes the second WHEREAS paragraph referring to the city General Plan; and 2) page 3, in the first BE IT RESOLVED clause, deletes the second paragraph under the first underscored heading. (OCS/062007/12:58/CT)

Administration/Others

Cyndy Aylett, Office of the Mayor  
Ernie Martin, Department of Community Services

Councilmember Tam, introducer of the Resolution, remarked that the City does not have a housing agency or department. The Resolution was introduced for the purpose of having a foundation for the existing programs such as Section 8 and Community Development Block Grant (CDBG) programs and to establish criteria for the new charter-created Affordable Housing Fund to address affordable housing needs.

In regard to the future of current affordable housing units owned by the City, Councilmember Tam commented that that issue is not currently a matter for discussion and the focus today is on utilizing existing programs and the special fund. He noted that no decision has been made on whether existing affordable units would be sold or not by the Council or the Administration. However, he remarked that there is a strong desire to continue to have affordable housing units but how it would be handled is questionable.

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Mr. Martin requested that action on the Resolution be deferred in order for his Department to work with the Committee to make technical amendments to the Resolution. The amendments are needed to ensure that none of the existing obligations to the current program participants are jeopardized and to also ensure that the City continues to meet the federal obligations with respect to the federal funded programs. Ms. Aylett stated that the Administration is not opposed to the Resolution but reiterated the concerns on the need for technical amendments.

Ms. Aylett commented that the Administration believes that they can market the rental units and transition them to other organizations interested in the affordable housing arena for at least the term of their lease.

Councilmember Okino expressed concern on the refocusing of the Section 8 Rental Program from a tenant-based program to a project-based program. Mr. Martin acknowledged that it is also a concern for his Department and that they would like more time to research the matter.

Councilmember Tam announced that he has distributed a proposed CD1 containing technical amendments to the Resolution and noted that if the Administration has further amendments, he would be willing to work with them.

At this juncture, Committee Chair Cachola called for public testifiers.

The following individuals testified in support of the Resolution:

1. Kevin Carney, EAH Housing & Housing Hawaii
2. Catherine Wong, Ohana Housing - Network Oahu (OH-NO)
3. Marla Wade, OH-NO
4. Anthony Marlin, OH-NO
5. Merary Allen
6. Lonnie Trimarche
7. JoAnn Bosserdet, OH-NO
8. Margaret Sandoval, OH-NO
9. Leonore Gallant

Ms. Aylett clarified that when she spoke on leases, she was not speaking about individual rental leases but on ground leases for the properties that usually run for 50- to 75-year terms. She noted that it is the Administration's intent with respect to the Chinatown properties to lease the ground with the condition that the units remain affordable as part of the terms and conditions in the contract.

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Committee Chair Cachola brought up the issue of incremental increases in the rental amount since the testifiers expressed concern on rental fees increasing and that the rental units remain affordable in perpetuity. Ms. Aylett responded that they have been looking at that issue and the goal is to keep the rents reasonable and in keeping with Housing & Urban Development (HUD) guidelines.

Mr. Martin noted that they were able to review the proposed CD1 amendments and they support the CD1 version of the Resolution as it addresses all of their technical concerns.

At this juncture, the Committee Chair called for any additional speakers.

The following individuals raised their hands to testify on the Resolution:

10. Reverend Bob Nakata, Kahaluu United Methodist Church and F.A.C.E.
11. Priscilla Thode
12. Ellan Taylor, OH-NO

Councilmember Tam thanked the testifiers for attending the meeting and reiterated that the Resolution is all about developing fundamental policies for the structure and operations for affordable rental housing projects. He also outlined the proposed amendments contained in the CD1 to the Resolution.

Committee Chair Cachola also thanked the testifiers. He hoped that the Administration heard the residents' concerns and that they would be willing to work with the residents and the Council to address the issue of affordable housing.

Resolution 07-194 amended to CD1 (OCS/062607/04:16/HM) and reported out for adoption.

AYES: APO, KOBAYASHI, CACHOLA – 3.  
NOES: None.  
EXCUSED: DELA CRUZ, DJOU – 2.

CD1 to Resolution 07-194 - The CD1 deletes: (1) language referring to the city General Plan, and (2) language referring to the Section 8 program in the BE IT RESOLVED paragraph. (OCS/062607/04:16/HM)

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ADJOURNMENT

There being no further business, the meeting was adjourned at 4:11 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Denise C. De Costa".

DENISE C. DE COSTA  
City Clerk

gk

DATE APPROVED

August 1, 2007